

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0542-08
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB 431
Subject: Children and Minors; Board, Commissions, Committees, Councils; Licenses-
Misc.; Department of Social Services
Type: Original
Date: June 8, 2011

Bill Summary: This legislation enacts various provisions regarding foster care and adoption promotion.

This legislation will automatically sunset six years from the effective date of the legislation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Foster Care and Adoptive Parents Recruitment and Retention Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and costs of approximately \$0 to Unknown would net to \$0.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 143.1015, 210.112, 210.498, 210.565, 210.617 & 453.600:

Officials from the **Department of Health and Senior Services, Department of Mental Health, Office of the State Courts Administrator, Department of Insurance, Financial Institutions and Professional Registration, Office of Administration-Administrative Hearing Commission, Missouri Governor, Missouri State Treasurer, and the Department of Elementary and Secondary Education** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services-Children's Division (CD)** states provisions in Section 143.1015 establish the mechanism (tax returns) for collecting the fund. Section 453.600, establishes the fund, and creates the "Foster Care and Adoptive Parents Recruitment and Retention Fund Board" to administer the fund.

This legislation will have no fiscal impact as no new employees are needed. Staff now assigned to recruit will be re-directed into additional training and assessment (licensure) duties should this result in a substantial increase in the number of homes. This legislation would require monitoring the use of funds through budgetary review.

In section 210.112, subsection 6, this legislation requires that the CD convene a task force to review the recruitment, licensing and retention of foster and adoptive parents statewide. The Division does not anticipate a fiscal impact.

Section 210.498, relates to access to foster home records and would require minimal policy revisions to limit information to what is required by this provision. However, the Division does not anticipate a fiscal impact for this provision.

Section 210.565 and 210.566 refers to sibling placement. This provision is currently covered in Division policy and practice. There is no fiscal impact.

Generally, 210.617 expands the functions and responsibility of the Missouri State Foster Care and Adoption Board, which will increase reimbursement costs to the Division; however the Division anticipates that these costs will be minimal and will be absorbed by the Division.

Officials from the **Department of Social Services-Division of Legal Services (DLS)** assume the proposal would have no fiscal impact on their agency.

ASSUMPTION (continued)

Officials from the **Department of Social Services-Information Technology Services Division (ITSD)** states the following in regards to section 210.498:

The Families and Children Electronic System (FACES) currently has programs that redact information from reports. Current practices within Children's Division require an employee to review documents with redacted information generated by the system and further redact the documents as necessary.

ITSD is providing a range of cost that varies from zero to a maximum of \$60,000. The impact is zero if CD chooses to redact the investigative reports manually.

Approximately 800 hours were required to build a redaction process previously implemented in FACES. Included in this estimate is the time required for:

- Systems analysis
- Updating high level design documents
- Updating technical specification documents,
- Coding and unit testing
- System and user acceptance testing

This estimate assumes that contract staff will be utilized at a rate of \$75 per hour based on cost shown under Category 5 (Development Solutions) of the Statewide IT Services Consulting contract.

800 hours X \$75.00 = \$60,000

The federal match rate for systems work on FACES is 50%.

ITSD projects \$30,000 fiscal impact on federal funds and \$30,000 on general revenue.

Oversight assumes OA-ITSD (DSS) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DSS) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DSS) could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Revenue** states the Department will need to make form changes. The Department and ITSD-DOR will need to make programming changes to various tax systems. The IT portion of the fiscal impact is estimated with a level of effort valued at \$15,476. The value of the level of effort is calculated on 584 FTE hours.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight notes that this proposal would create a fund which shall consist of gifts, donations, transfers, and moneys appropriated by the General Assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund. Since this would be based upon an appropriation, Oversight will reflect the funding as a \$0 (no appropriation) to an unknown amount.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
---	---------------------	---------	---------

GENERAL REVENUE FUND

Transfer Out - Department of Social Services

Transfer to the Foster Care and
 Adoptive Parents Recruitment and
 Retention Fund

<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
-----------------------------------	-----------------------------------	-----------------------------------

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
-----------------------------------	-----------------------------------	-----------------------------------

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2012 (10 Mo.)	FY 2013	FY 2014
--	---------------------	---------	---------

**FOSTER CARE AND ADOPTIVE
 PARENTS RECRUITMENT AND
 RETENTION FUND**

Transfer In - Department of Social
 Services

Appropriation, Gifts or Donations	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
-----------------------------------	-----------------------	-----------------------	-----------------------

Costs - Department of Social Services
 Program Costs

<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
-----------------------------	-----------------------------	-----------------------------

**ESTIMATED NET EFFECT ON
 FOSTER CARE AND ADOPTIVE
 PARENTS RECRUITMENT AND
 RETENTION FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
---	---------------------	---------	---------

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-------------------	-------------------	-------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Sections 143.1015, 210.112, 210.498, 210.565, 210.617 & 453.600:

The proposed legislation creates the Foster Care and Adoptive Parents Recruitment and Retention Fund; establishes a task force on foster care recruitment, licensing, and retention; changes the laws regarding foster care placement and sibling placement; and establishes the Missouri State Foster Care and Adoption Board.

FISCAL DESCRIPTION (continued)

FOSTER CARE AND ADOPTIVE PARENTS RECRUITMENT AND RETENTION FUND:

Beginning January 1, 2011, the legislation authorizes an individual or corporation to designate at least \$1 on a Missouri individual income tax return or at least \$2 on a combined return of his or her tax refund amount to the newly created Foster Care and Adoptive Parents Recruitment and Retention Fund. A taxpayer may also donate to the fund by sending a separate check with the payment of his or her taxes. The fund is to be administered by the newly created Foster Care and Adoptive Parents Recruitment and Retention Fund Board. Upon appropriation, moneys in the fund must be used to grant awards to licensed community-based foster care and adoption recruitment programs.

TASK FORCE ON FOSTER CARE RECRUITMENT, LICENSING, AND RETENTION:

The Children's Division within the Department of Social Services must convene a task force to review the recruitment, licensing, and retention of foster and adoptive parents statewide. The task force will include representatives of the division, the Department, and the private sector and faith-based community which provide recruitment and licensure services. The task force must study the extent to which changes in the system of recruiting, licensing, and retaining foster and adoptive parents would enhance the effectiveness of the system statewide and must report its findings with recommendations by December 1, 2011, to the General Assembly and the Governor.

FOSTER CARE PLACEMENT:

The legislation establishes the following order of the preference for placement of a child in foster care: grandparents and relatives, a trusted adult who has a pre-existing relationship with the child, and any foster parent who is currently licensed and capable of accepting placement of the child. Any person receiving a preference must be licensed in an expedited manner if a child is placed under the person's care.

SIBLING PLACEMENT:

The Division is required to make reasonable efforts to place siblings in the same foster care, kinship, guardianship, or adoptive placement unless doing so would be contrary to the safety or well-being of any of the siblings. If siblings are not placed together, the Division must make reasonable efforts to provide frequent visitation or other ongoing interaction between the siblings unless this interaction would be contrary to a sibling's safety or well-being.

MISSOURI STATE FOSTER CARE AND ADOPTION BOARD:

The Missouri State Foster Care and Adoption Board is established to provide consultation and assistance to the Department. The board must draft and provide an independent review of the Division's policies and procedures related to the provision of foster care and adoption in

FISCAL DESCRIPTION (continued)

Missouri. The board must also determine the nature and content of in-service training which must be provided to foster and adoptive parents in order to improve these services to children statewide. Additional duties of the board are specified.

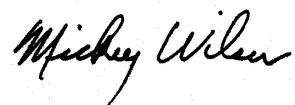
The board must be comprised of two foster and adoptive parents from each of the Division's seven areas. Area members must be appointed by the Governor, with the advice and consent of the Senate, from recommendations by regional foster care and adoption boards or other similar entities. The board must annually provide a written report of its activities to the Director of the Department of Social Services; Governor; Office of the Child Advocate; and upon request, members of the General Assembly.

The provisions regarding the Foster Care and Adoptive Parents Recruitment and Retention Fund will expire six years from the effective date.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Revenue
Department of Mental Health
Department of Elementary and Secondary Education
Office of Administration-Administrative Hearing Commission
Department of Insurance, Financial Institutions and Professional Registration
Missouri Governor
Department of Health and Senior Services
Office of the Attorney General
Missouri State Treasurer
Office of the State Courts Administrator



L.R. No. 0542-08

Bill No. Truly Agreed To and Finally Passed SS for SCS for HCS for HB 431

Page 9 of 9

June 8, 2011

Mickey Wilson, CPA

Director

June 8, 2011